



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
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May 21, 2018

Hon. Richard J. Sullivan  
United States District Judge  
United States Courthouse  
40 Foley Square  
New York, NY 10007

Re: *SEC v. Durante*, 15-CV-9874-RJS (S.D.N.Y.)

Dear Judge Sullivan:

We represent the plaintiff Securities and Exchange Commission in this action. This letter is to provide the Court with a status report on both this case and the parallel criminal case, *U.S. v. Durante*, 15-CR-171-ALC (S.D.N.Y.), pursuant to the Court's memo endorsement of the Commission's last status report on March 21, 2018 (see docket no. 110).

In the criminal action, all defendants except for Larry Werbel have been sentenced. Werbel's plea of guilty was accepted at a sentencing hearing in September 2017, but the sentencing was adjourned due to the defendant's medical condition and has not yet been concluded. The U.S. Attorney's Office has indicated that it has no objection to lifting the stay of this action ordered by the Court on March 23, 2016. The Commission sees no reason for the stay to remain in place.

Defendants Christopher Cervino, Abida Khan a/k/a Sheik Firdosh Khan, Walter Reissman, and Kenneth Wise have consented to partial judgments imposing the non-monetary relief the Commission sought in this action, and the Court has entered judgments as to each of them. The Commission plans to seek to resolve the claims for monetary relief against these defendants either on consent or through motion practice when the stay is lifted.

Since our last status report, the Commission has attempted to reach settlements with defendants Edward Durante and Werbel (and his entity, Evolution Partners Wealth Management, LLC). To date neither has consented to the entry of a partial judgment ordering the non-monetary relief. While the Commission will continue to seek resolution of the non-monetary relief as to Durante and Werbel, the Commission notes that Werbel and Evolution Partners have not answered the Amended Complaint. In the event the Court lifts the stay, the Commission proposes that the

Hon. Richard J. Sullivan  
May 21, 2018  
Page | 2

Court order them to respond to the complaint within a reasonable time set by the Court. The litigation can then resume with respect to the non-settling defendants. The Commission separately proposes to report back to the Court in sixty days as to the status of resolving the claims for monetary relief against the defendants who have consented to partial judgments.

Respectfully submitted,

*/s/ Paul G. Gizzi*  
*/s/ James K. Hanson*  
Paul G. Gizzi  
James K. Hanson

Cc: All Defendants  
U.S. Attorney's Office